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Monday, January 30, 2012

To: The Honorable John M. Mizuno
Chair, House Committee on Human Services

From: 'Ohana Health Plan

Re: House Bill 2285-Relating to the Medicaid

Hearing: Monday, January 30, 2012, 8:30 a.m.
Hawai'i State Capitol, Room 329

'Ohana Health Plan is managed by a local team of experienced health care professionals who embrace cultural diversity, advocate preventative care and facilitate communications between members and providers. Our philosophy is to place members and their families at the center of the health care continuum.

'Ohana Health Plan is offered by WellCare Health Insurance of Arizona, Inc. WellCare provides managed care services exclusively for government-sponsored health care programs serving approximately 2.4 million Medicaid and Medicare members nationwide. 'Ohana has been able to take WellCare's national experience and that of our local team to develop an 'Ohana care model that addresses local members' health care, long-term care and care coordination needs.

We appreciate this opportunity to respectfully express our concerns regarding House Bill 2285-Relating to Medicaid and the misstatements contained within.

While we certainly appreciate the intent of this measure, and of House Bill 1913, we firmly believe that these bills are unnecessary and would be a detrimental use of taxpayer dollars that could instead be applied to helping restore and sustain recent reductions in the Medicaid program. We also find the accusations listed in Section 1 are simply not supported by data, un-researched, and concerning to our locally-based staff of 149 associates, the majority of which are locally born and raised and proud to be able to work for a company that provides quality health care services for Hawai'i's most vulnerable population.

The QUEST Expanded Access (QExA) contracted were awarded in 2007 and has been operating live since February 1, 2009. It is our sincerest hope that after that much time, that those who originally protested our entry into Hawai'i's marketplace will have been able to examine facts and data and see that we have proven ourselves to be deeply rooted, community-based, locally-operated health plan who strive to provide the best possible services we can for Hawai'i's aged, blind and disabled residents.

Furthermore, 'Ohana has taken great pride in the fact that we are deeply rooted in the heart of the communities that we serve. Our O'ahu office is located in the Old Sugar Mill Plaza in Waipahu, HI, right above the Filipino Community Center. This particular location was chosen because it conveniently located and easily accessible for our aged, blind and disabled members, as well as a large number of our community-based providers. We also have satellite offices in Hilo and Kahului, with additional employees on Kaua'i and Moloka'i. We invite and encourage members of the legislature to take the time and visit our offices and meet our associates.

We have worked hard to build strong relationships with those who also serve our communities. In 2011 we co-founded **WE**...a health hui, a loosely affiliated group of like-minded organizations to form a consortium dedicated to providing real, individualized, personally relevant information to people who might otherwise not seek health care assistance, regardless of who their health care provider may be. Through these health screening events, **WE** is working to motivate people to take an active role in their health. In 2011 **WE** conducted 29 events statewide and did over 7,000 health screenings. Some of our partners include the American Diabetes Association, Hawai'i COPD Coalition, Hawai'i Lions Clubs International of District 50, Hawai'i Lions Eye Bank/Makana Foundation, Hawai'i Pacific University Student Nurses, Hepatitis Support Network, Hui No Ke Ola Pono, 'Imi Hale, a division of Papa Ola Lōkahi, Ke Ola Mamo, Mental Health Transformation State Incentive Grant; DOH (MHT-SIG), National Kidney Foundation of Hawai'i, Project Vision of Hawai'i, Sage PLUS; Executive Office on Aging, The Caregivers Foundation of America, The Queen's Medical Center Women's Center, and students from the University of Hawai'i Schools of Nursing, JABSOM and the Hilo College of Pharmacy. In addition to this, in 2011, we donated monies to over 30 locally-based non-profit organizations in the State including, the Hawai'i Primary Care Association, Honolulu Theatre for Youth, Kapi'olani Community College Kūpuna Education Center, Muscular Dystrophy Association, Mental Health of America – Hawai'i, Waimānalo Health Center and the Waipahu Community Association.

Three years since going live, we firmly believe that we have proven that our primary loyalty is to the people of our island home state of Hawai'i. It is also disingenuous to allege that the services that we provide are traditionally performed in Hawai'i by non-profit local insurance plans – this program was traditionally administered by the state, and we would also encourage a careful examination of the reports that have been submitted as a result of HB1525, which show the ties and services that all health plans in Hawai'i have and utilize mainland-based vendors for.

It is also important that we point out on page 3 of this bill it states that, "The plans were also unable to perform the services for the price of their original bids, and were granted a large increase in fees in 2010 without the department of human services rebidding the contract." This adjustment capitated rates to the existing contracts is not an uncommon practice and is also done with the other QUEST health plans – each year, rates are examined by a third party for actuarial soundness and appropriate adjustments are made. This is standard practice.

As of Friday, January 27, 2012, 'Ohana has 149 locally-based associates with a wide range of ethnic diversity, including many associates who speak an additional language such as Tagalog, Ilocano, Cantonese, Mandarin and Korean. Our Customer Service department, located on the ground floor of our Waipahu-based office houses 20 full-time customer service representatives, most of whom live on the west side of O'ahu and are trained to handle member issues both over the phone and in-person.

The purported issues listed in this bill are not new to us and have continually been addressed since the implementation of the QUEST Expanded Access (QExA) program on February 1, 2009. Understandably, there were problems in the beginning, as there is with the launch of any new program. However, over the past three years our company has worked diligently to address and rectify any problems, real or perceived. In a recent informational briefing by this very committee on Thursday, January 12, 2012, the committee and members of the public were once again asked to please bring any issues to us to resolve, yet not a single complaint was brought to our attention, either publically or privately.

It is also important to note that the Department of Human Services (DHS) already contracts with the Health Services Advisory Group (HSAG), an independent, third-party health services company that is nationally recognized as an external quality review organization (EQRO) to evaluate all five (AlohaCare, Evercare, HMSA, Kaiser and 'Ohana Health Plan) QUEST managed care plans contracted with them on an annual basis. HSAG has over 30 years of experience in peer review and health services audits, with extensive experience with Medicaid programs in more than a dozen states and has a very thorough knowledge of Medicaid policies and delivery systems. Their quality review services affect more than 13 million Medicaid recipients, approximately 45 percent of the nation's Medicaid population and are recognized as one of the most successful health care quality improvement and quality review organizations in the nation. It is HSAG's mission to be a positive force in health care by providing quality expertise to those who deliver care and helpful information to those who receive health care services.

HSAG conducts a very thorough and in-depth audit on the all the contracted QUEST health plans every year. This EQRO audit is a weeklong process, which also requires several months of advanced preparation in which they thoroughly review each plan's records and data.

In 2010, the HSAG audit reviewed five standards: 1) Access and Availability; 2) Coverage and Authorization of Services; 3) Coordination and Continuity of Care; 4) Quality Assessment and Performance Improvement; and 5) Practice Guidelines. The five contract QUEST plans scored as follows:

Table 1-1—Standards and Compliance Scores							
Standard #	Standard Name	AlohaCare QUEST	HMSA QUEST	Kaiser QUEST	Evercare QExA	Ohana QExA	Statewide Average
I	Access and Availability	98%	98%	96%	96%	98%	97%
II	Coverage and Authorization of Services	89%	86%	100%	79%	89%	89%
III	Coordination and Continuity of Care	100%	100%	100%	93%	100%	99%
IV	Quality Assessment and Performance Improvement	100%	100%	100%	100%	100%	100%
V	Practice Guidelines	100%	100%	100%	88%	100%	98%
Total Compliance Score:		97%	96%	98%	91%	97%	96%
Total Compliance Score: The overall percentages obtained by adding the number of elements that received a score of <i>Met</i> to the weighted (multiplied by 0.50) number that received a score of <i>Partially Met</i> , then dividing this total by the total number of applicable elements.							

Source: 2010 Hawaii External Quality Review Report of Results, Page 6 of 154

In 2011, the HSAG audit reviewed five different areas: 1) Delegation; 2) Member Information; 3) Grievance System; 4) Provider Selection; and 5) Credentialing. The 2011 scores are as follows:

Table 1-1—Standards and Compliance Scores							
Standard #	Standard Name	AlohaCare QUEST	HMSA QUEST	Kaiser QUEST	Evercare QExA	Ohana QExA	Statewide Score
I	Delegation	77	100	NA*	91	100	92
II	Member Information	94	92	95	91	98	94
III	Grievance System	72	76	62	79	95	77
IV	Provider Selection	100	100	100	100	100	100
V	Credentialing	96	98	100**	25	93	83
Total Compliance Score:		89	92	89	64	96	86
*Kaiser was not reviewed for this standard, as it did not delegate any managed care functions for its Medicaid program. **Kaiser was "deemed" compliant for credentialing, as it had attained 100 percent compliance in its NCOA accreditation review.							

Source: 2011 Hawaii External Quality Review Report of Results, Page 4 of 208

We are very proud to show that in 2011, 'Ohana Health Plan received the highest score out of any of the five contracted health plans in the State of Hawai'i. The detailed audits, which are several hundred pages long, can be found on the Med Quest website, and is publically available.

This bill is asking the State Auditor to conduct a management and financial audit of Evercare and 'Ohana Health Plan, and specifically requests that the audit include the following:

- 1) The quality and efficiency of services provided to Medicaid clients by Evercare and 'Ohana Health Plan;
- 2) Provider network adequacy of Evercare and 'Ohana Health Plan;
- 3) Client access to services provided by Evercare and 'Ohana Health Plan;
- 4) Timeliness of payments to providers by Evercare and 'Ohana Health Plan;
- 5) The history of the department of human services' management decisions involving the QUEST expanded access and QUEST procurements, the premium tax, and compliance with the legislative intent of Act 69, Session Laws of Hawaii 2010; and
- 6) The adequacy of the department of human services' management of Evercare and 'Ohana Health Plan to resolve issues raised by providers.

We believe that much of the bill is duplicative of the in-depth audits that the State paid an impartial, nationally recognized and utilized company that specializes in health care service reviews to conduct. Should the legislature feel compelled to continue with an audit on the contracted QExA plans, a more fiscally prudent approach would be to make recommendations to the DHS on what areas they would like to see the next HSAG audit look into. This is a more practical approach to addressing the legislature's concerns and achieving the same outcomes without having to expend additional state dollars which could then be applied towards restoring services and benefits to Hawai'i's Medicaid population.